



DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

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August 26, 2010

Karen Moroz, Supervising REHS
Alameda County
1131 Harbor Bay Parkway, Suite 200
Alameda, CA 94502

RE: FINAL AUDIT REPORT – WASTE TIRE ENFORCEMENT ASSISTANCE GRANTS
TEA 14-06-0018 AND TEA 15-07-0004

Dear Ms. Moroz:

Enclosed is the final report on the audit of Alameda County, regarding the Waste Tire Enforcement Assistance Grant. The audit included a review of receipts, expenditures, internal controls, and compliance with the grant agreement provisions. The period of review for this audit was June 30, 2007 through June 30, 2009.

The audit disclosed the following findings:

1. Unsupported Personnel Expenditures

The hours shown on the TEA 14-06-0018 Expenditure Itemization Summary (EIS) did not agree with the time cards for the following employees:

Employee Name	EIS Hours	Time Card Hours	Unsupported Hours Charged	Hourly Rate	Amount Overcharged
Roel Meregillano	6	0	6	\$71.79	\$ 430.74
Eva Chu	53	54	1	\$73.87	\$ 73.87
Karen Moroz	23	0	23	\$85.86	<u>\$1,974.78</u>
Total					<u>\$2,479.39</u>

(Over)



2. Unsupported Personnel Expenditures

The hour shown on the TEA 15-07-0004 Expenditure Itemization Summary (EIS) did not reconcile to the supporting time card for employee Roel Meregillano shown below:

Employee Name	EIS Hours	Time Card Hours	Unsupported Hours Charged	Hourly Rate	Amount Overcharged
Roel Meregillano	1	0	1	\$127.00	\$127.00

The response by Alameda County to the draft audit report on August 2, 2010, along with the evaluation of the response is included in this final report. The response did address your corrective action to the finding(s).

A copy of this letter is being forwarded to the Waste Tire Enforcement Assistance Grant Program for information and any necessary action, if required.

Please contact Ernesto Espinoza, Auditor, at (916) 341-7369 or Ernesto Espinoza@calrecycle.ca.gov with any questions regarding this report.

Sincerely,



Susan Villa, Chief
Fiscal Services Branch
Administration and Finance Division

Enclosure

cc: Tom Estes, Deputy Director, Administration and Finance Division, CalRecycle
Jim Lee, Branch Manager, Tire Facilities and Evaluation Branch, Cal Recycle
Brian Kono, Manager, Audits and Evaluations, CalRecycle
Ernesto Espinoza, Auditor, Audits and Evaluations, CalRecycle

Alameda County

Waste Tire Enforcement Assistance Grant

Final Audit Report

**Grants: TEA 14-06-0018
And TEA 15-07-0004**

**For the Period June 30, 2007
Through June 30, 2009**

**Prepared By:
California Department of Resources Recycling and Recovery
Audits and Evaluations**

August 2010

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ATTACHMENT – GRANTEE’S RESPONSE TO DRAFT AUDIT REPORT

**Alameda County
Waste Tire Enforcement Assistance Grant**

SUMMARY

The Department of Resources Recycling and Recovery (CalRecycle), Audits and Evaluations, performed an audit of Alameda County regarding the Waste Tire Enforcement Assistance Grant. The audit included a review of internal controls, receipts, expenditures, and compliance with the provisions relating to grant agreement numbers TEA 14-06-0018 and TEA 15-07-0004, for the period June 30, 2007 through June 30, 2009.

BACKGROUND

Alameda County (County), a political subdivision of the State of California governed by an elected Board of Supervisors, exercises the powers specified by the Constitution and statutes of the State. The County's reporting entity includes all significant organizations, departments, and agencies over which the County's Board exercises oversight and budgeting responsibilities. The County's Department of Environmental Health has general responsibility for these grant projects. The integrated waste management enforcement programs are primarily carried out through Local Enforcement Agencies or by CalRecycle acting as the Local Enforcement Agency (LEA).

CalRecycle receives an annual appropriation from the California Tire Recycling Management Fund to administer the Tire Recycling Act [Chapter 17 as added by SB 937 (Vuich), Statutes of 1990, Chapter 35] and related legislation, of which a portion is allocated for Tire Enforcement Assistance (TEA) grants. The TEA grant provides funding to LEA as well as city and county agencies in California to support waste tire enforcement activities.

Chapter 17, Article 5 (Financial Provisions), Section 72889(d) states in part, "To pay the costs associated with the development and enforcement of regulations relating to the storage of waste tires and used tires. The board shall consider designating a city, county, or city and county as the enforcement authority of regulations relating to the storage of waste tires and used tires, as provided in subdivision (b) of Section 72963."

OBJECTIVE, SCOPE, AND METHODOLOGY

The audit objective was to verify whether the program related costs, reimbursed by CalRecycle to Alameda County, were reasonable, allowable, and allocable in accordance with the fiscal requirements and other provisions of the grant agreements as well as applicable Federal and State regulations.

The audit scope included, but was not limited to, a review and evaluation of the adequacy and accuracy of the documents submitted to CalRecycle by Alameda County in support of the claim for eligibility.

The audit was conducted in accordance with *Government Auditing Standards*. The standards require that the audit was planned and performed to obtain sufficient and appropriate evidence to provide a reasonable basis for the finding(s), if any, and conclusion based on the audit objective.

CONCLUSION

The audit disclosed instances of noncompliance with the requirements outlined above. These instances are described in the Findings and Recommendations section of this report.

RESTRICTED USE

This report is intended for the information and use of CalRecycle and Alameda County management. However, this report is a matter of public record and distribution is not limited.

STATEMENT OF REVENUE AND EXPENDITURES

Alameda County
Waste Tire Enforcement Assistance Grant
TEA 14-06-0018
For the Period June 30, 2007 through June 30, 2008

	<u>Claimed</u>	<u>Audited</u>	<u>Questioned</u>	<u>Reference</u>
Revenue:				
Grant Payment				
Request Final	\$65,202.73	\$62,723.34	\$2,479.39	
Deduction	11.00	11.00	0	
Less: 10%	6,519.17	6,519.17	0	
Repayment	<u>12,245.34</u>	<u>12,245.34</u>	<u>0</u>	
Total Revenue	<u>\$70,917.90</u>	<u>\$68,438.51</u>	<u>\$2,479.39</u>	
Expenditures:				
Inspections	\$44,305.17	\$43,874.43	\$430.74	Finding 1
Enforcement	1,361.77	0	1,361.77	Finding 1
Education	1,064.98	1,064.98	0	
Training	4,273.36	3,586.48	686.88	Finding 1
Report Writing	5,416.27	5,416.27	0	
Equipment	929.570	929.57	0	
Transportation	1,924.09	1,924.09	0	
Indirect/Miscellaneous				
Costs	5,927.52	5,927.52	0	
Deduction	11.00	11.00	0	
Less: 10%	6,519.17	6,519.17	0	
Repayment	<u>12,245.34</u>	<u>12,245.34</u>	<u>0</u>	
Total Expenditures	<u>\$70,917.90</u>	<u>\$68,438.51</u>	<u>\$2,479.39</u>	

STATEMENT OF REVENUE AND EXPENDITURES

**Alameda County
Waste Tire Enforcement Assistance Grant
TEA 15-07-0004
For the Period June 30, 2008 through June 30, 2009**

	<u>Claimed</u>	<u>Audited</u>	<u>Questioned</u>	<u>Reference</u>
Revenue:				
Grant Payment				
Request 1	\$63,890.38	\$63,763.38	\$127.00	
Additions	7,454.79	7,454.79	0	
Less: 10%	<u>7,134.52</u>	<u>7,134.52</u>	<u>0</u>	
Total Revenue	<u>\$64,210.65</u>	<u>\$64,083.65</u>	<u>\$127.00</u>	
Expenditures:				
Inspections	\$51,240.69	\$51,113.69	\$127.00	Finding 2
Enforcement	676.91	676.91	0	
Education	571.508	571.50	0	
Training	6,083.00	6,083.00	0	
Report Writing	8,763.00	8,763.00	0	
Equipment	1,086.69	1,086.69	0	
Transportation	2,923.38	2,923.38	0	
Indirect/Miscellaneous				
Costs	0	0	0	
Less: 10%	<u>7,134.52</u>	<u>7,134.52</u>	<u>0</u>	
Total Expenditures	<u>\$64,210.65</u>	<u>\$64,083.65</u>	<u>\$127.00</u>	

FINDINGS AND RECOMMENDATIONS

Finding 1 – Unsupported Personnel Expenditures

The hours shown on the TEA 14-06-0018 Expenditure Itemization Summary (EIS) did not agree with the time cards for the following employees:

Employee Name	EIS Hours	Time Card Hours	Unsupported Hours Charged	Hourly Rate	Amount Overcharged
Roel Meregillano	6	0	6	\$71.79	\$ 430.74
Eva Chu	53	54	1	\$73.87	\$ 73.87
Karen Moroz	23	0	23	\$85.86	<u>\$1,974.78</u>
Total					<u>\$2,479.39</u>

Grant Agreement Number TEA 14-06-0018, Exhibit B – Procedures and Requirements, Section 6(c) (1) states, "Payments Requests must include copies of documents supporting the claimed expenses (e.g., receipts, invoices, personnel expenditure summaries, etc.)."

As a result, \$2,479.39 in unallowable/ineligible costs should be remitted to the Department of Resources Recycling and Recovery.

Recommendation

The County should ensure that personnel hours charged are properly supported by accurate employee time cards.

Grantee's Response

The County agreed with the finding, and remitted payment of \$2,479.39 to the Department.

Auditor's Comment

Based on the grantee's response, the finding has been resolved.

Finding 2 – Unsupported Personnel Expenditures

The hour shown on the TEA 15-07-0004 Expenditure Itemization Summary (EIS) did not reconcile to the supporting time card for employee Roel Meregillano shown below:

Employee Name	EIS Hours	Time Card Hours	Unsupported Hours Charged	Hourly Rate	Amount Overcharged
Roel Meregillano	1	0	1	\$127.00	\$127.00

Grant Agreement Number TEA 15-07-0004, Exhibit B – Procedures and Requirements, Payment Requests (Page 7) states in part, "All payment requests must be accompanied by supporting documentation such as summaries of employees and hours worked, and purchase invoices and receipts, etc., as detailed in payment Request Supporting Documents of this exhibit."

As a result, \$127.00 in unallowable/ineligible costs should be remitted to the Department of Resources Recycling and Recovery.

Recommendation

The County should ensure that personnel hours charged are properly supported by accurate employee time cards.

Grantee's Response

The County agreed with the finding, and remitted payment of \$127.00 to the Department.

Auditor's Comment

Based on the grantee's response, the finding has been resolved.